

COMMISSIONERS
BOB STUMP - Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

OPEN MEETING ITEM



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ARIZONA CORPORATION COMMISSION

RECEIVED
AZ CORP COMMISSION
DOCKET CONTROL

2014 JUN 13 AM 9 33

DATE: JUNE 13, 2014
DOCKET NO.: T-04268A-14-0050

TO ALL PARTIES:

ORIGINAL

Enclosed please find the recommendation of Administrative Law Judge Sasha Paternoster. The recommendation has been filed in the form of an Order on:

**MOHAVE COOPERATIVE SERVICES, INC.
(CANCELLATION OF CC&N)**

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by 4:00 p.m. on or before:

JUNE 23, 2014

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Open Meeting to be held on:

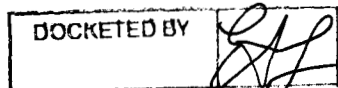
JULY 22, 2014 and JULY 23, 2014

For more information, you may contact Docket Control at (602) 542-3477 or the Hearing Division at (602) 542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

Arizona Corporation Commission

DOCKETED

JUN 13 2014



Jodi A. Jerich
JODI JERICH
EXECUTIVE DIRECTOR

1200 WEST WASHINGTON STREET; PHOENIX, ARIZONA 85007-2927 / 400 WEST CONGRESS STREET; TUCSON, ARIZONA 85701-1347
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This document is available in alternative formats by contacting Shaylin Bernal, ADA Coordinator, voice phone number 602-542-3931, E-mail SABernal@azcc.gov.

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 **COMMISSIONERS**

3 BOB STUMP – Chairman
4 GARY PIERCE
5 BRENDA BURNS
6 BOB BURNS
7 SUSAN BITTER SMITH

8 IN THE MATTER OF THE APPLICATION OF
9 MOHAVE COOPERATIVE SERVICES, INC.
10 FOR APPROVAL TO CANCEL ITS
11 CERTIFICATE OF CONVENIENCE AND
12 NECESSITY TO PROVIDE COMPETITIVE
13 RESOLD LONG DISTANCE, RESOLD LOCAL
14 EXCHANGE, AND FACILITIES-BASED
15 LOCAL EXCHANGE
16 TELECOMMUNICATIONS SERVICES.

DOCKET NO. T-04268A-14-0050

DECISION NO. _____

ORDER

12 Open Meeting
13 July 22 and 23, 2014
14 Phoenix, Arizona

14 **BY THE COMMISSION:**

15 Having considered the entire record herein and being fully advised in the premises, the
16 Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

17 * * * * *

18 **FINDINGS OF FACT**

19 1. On March 9, 2005, in Decision No. 67673, issued in Docket No. T-04268A-04-0491,
20 Mohave Cooperative Services, Inc. ("Mohave" or "Company") was granted a Certificate of Convenience
21 and Necessity ("CC&N") to provide competitive resold long distance, resold local exchange, and facilities-
22 based local exchange telecommunications services within the State of Arizona. In the Decision, Mohave
23 was required to docket conforming tariffs, to procure a \$135,000 performance bond and file proof of the
24 performance bond, within 365 days after the effective date of the Decision or within 30 days before
25 providing service, whichever came first. The bond was to remain in effect until further Order of the
26 Commission.

27 2. On March 8, 2006, Mohave filed its tariff in compliance with the requirements of Decision No.
28 67673.

1 3. On April 4, 2006, a Procedural Order was issued granting Mohave's request for additional time
2 to comply with the condition that it procure and docket proof of the performance bond required by Decision
3 No. 67673.

4 4. On May 24, 2006, Mohave filed a Notice of Filing Proof of Performance Bond.

5 5. On June 3, 2008, the Commission's Utilities Division ("Staff") filed a memorandum of
6 compliance certifying that the Company had met the compliance requirements of Decision No. 67673.

7 6. On February 21, 2014, Mohave filed with the Commission an Application to Cancel
8 Certificate of Convenience and Necessity ("Application") stating that Mohave had never provided any
9 resold or facilities-based local exchange telecommunications services in Arizona. According to the
10 Application, Mohave did provide Voice over Internet Protocol ("VoIP") for up to 125 customers in Mohave
11 County, Arizona between 2005 and 2013. Mohave sent notice to its VoIP customers of its intent to
12 discontinue providing VoIP services and the last VoIP customers were transferred to a different provider as
13 of August 15, 2013. The Application indicates the Company has no intention of providing or offering any
14 telecommunications services in Arizona in the future.

15 7. On March 31, 2014, the Company filed a Supplement/Correction to Application to
16 Cancel Certificate of Convenience and Necessity ("Supplement") in which it stated the correct year it
17 provided notice to its VoIP customers was March 2012, not March 2013 as originally stated in the
18 February 21, 2014 application. Mohave attached copies of the notice it provided as well as the
19 affidavit of publication from the *Mohave Valley Daily News*. Mohave also stated it published notice
20 of discontinuance of service in Mohave County in the *Mohave Daily News* on March 16, 2014, and
21 attached the notice and affidavit of publication to the Supplement. The Supplement also requested
22 cancellation of Mohave's tariff and the release and return of its \$135,000 bond that expired on April
23 30, 2014.

24 8. On April 30, 2014, Staff filed a Staff Report in this matter recommending approval of
25 Mohave's application to cancel its CC&N.

26 9. On May 27, 2014, Staff filed an Amended Staff Report and requested that the original
27 Staff Report be disregarded. The Amended Staff Report continues to recommend cancellation of
28 Mohave's CC&N and its related tariff, but clarifies that no performance bond is to be returned to

1 Mohave because Mohave did not file a bond with the Commission. Staff also indicates that, although
2 Mohave has the authority to provide telecommunications services throughout Arizona, the only
3 customers the Company served resided within Mohave County. According to Staff, Mohave
4 confirmed that it did not collect advances, deposits, and/or prepayments from customers in Arizona.

5 10. According to the Commission's Consumer Services Section, zero complaints,
6 inquiries, or opinions were filed against Mohave for the time period January 1, 2011 through
7 February 26, 2014.

8 11. The Commission's Compliance Section reports there are no current compliance
9 delinquencies for Mohave. Per the Staff Report, the Corporations Division reports that Mohave is not
10 in good standing for failure to file its 2014 Annual Report. Mohave has not filed an Annual Utilities
11 Report with the Utilities Division since 2010.

12 12. On May 5, 2014, Mohave filed a Notice of Support of Staff Recommendation and
13 Filing of Certificate of Good Standing, in which the Company stated it filed its 2014 annual report
14 and attached the Certificate of Good Standing.

15 13. A.A.C. R14-2-1107(A)(2) requires that an application to discontinue service include
16 verification that all affected customers have been notified of the proposed discontinuance and that all
17 affected customers will have access to an alternative provider. Mohave indicated in its Application
18 and provided proof in its Supplement that all affected customers have been notified and that all of its
19 customers had transitioned to alternate carriers.

20 14. A.A.C. R14-2-1107(A)(4) requires that an application to discontinue service include a
21 list of all alternative utilities providing the same or similar service in all counties affected by its
22 application within 20 days after filing the application. Because Mohave has verified that it
23 effectively transferred all of its customers to alternate carriers, Mohave has met the intent of the rule.

24 15. A.A.C. R14-2-1107(B) requires a competitive telecommunications provider to publish
25 legal notice of its application to discontinue service in all counties affected by its application within
26 20 days after filing the application. Mohave indicated in its Application and provided proof in its
27 Supplement that notice of Mohave's intent to discontinue service was published in the county in
28 which all of its customers resided.

16. Staff's recommendation for approval of Mohave's application to cancel its CC&N to provide competitive resold long distance, resold local exchange, and facilities-based local exchange telecommunications services is reasonable and should be adopted. Staff's recommendation to cancel Mohave's tariffs related to the above provisions of service is appropriate and should be adopted.

CONCLUSIONS OF LAW

1. Mohave Cooperative Services, Inc. is a public service corporation within the meaning of Article XV of the Arizona Constitution and A.R.S. §§ 40-281 and 40-282.

2. The Commission has jurisdiction over Mohave Cooperative Services, Inc. and the subject matter of the application.

3. Mohave Cooperative Services, Inc. has complied with the notice requirements of A.A.C. R14-2-1107(A)(2), (A)(4), and (B).

4. The cancellation of Mohave Cooperative Services, Inc.'s CC&N to provide competitive resold long distance, resold local exchange, and facilities-based local exchange telecommunications services and to cancel its tariff on file with the Commission for such services is in the public interest.

5. Staff's recommendations are reasonable and should be adopted.

ORDER

IT IS THEREFORE ORDERED that the application of Mohave Cooperative Services, Inc. for the cancellation of its Certificate of Convenience and Necessity to provide resold long distance and resold and facilities-based local exchange telecommunications services in Arizona shall be, and is hereby, approved, and the Certificate of Convenience and Necessity is cancelled.

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IT IS FURTHER ORDERED that Mohave Cooperative Services, Inc.'s telecommunications services tariffs on file with the Commission are hereby cancelled.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, JODI A. JERICH, Executive Director of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this _____ day of _____, 2014.

JODI A. JERICH
EXECUTIVE DIRECTOR

DISSENT _____

DISSENT _____
SP:tv

1 SERVICE LIST FOR: MOHAVE COOPERATIVE SERVICES, INC.

2 DOCKET NO.: T-04268A-14-0050

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